

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 5/13/2004 3:01:14 PM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2004
2.	Name:	United Concordia Dental Plans of California, Inc.
3.	File Number:(Enter last three digits) 933-0	046
4.	Date Incorporated or Organized:	May 5, 1987
5.	Date Licensed as a HCSP:	
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	May 12, 1987
8.	Mailing Address:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
9.	Address of Main Administrative Office:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
10.	Telephone Number:	818 - 710 -9400
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	21700 Oxnard Street, Suite 500, Woodland Hills, CA 91367
13.	Plan Contact Person and Phone Number:	Leonard Joseph Matuszak, 818 -710 -5111
14.	Financial Reporting Contact Person and Phone Number:	Laleh Nili, 818 -710 -5112
15.	President:*	Thomas Anthony Dzuryachko
16.	Secretary:*	Richard Joseph Enterline
17.	Chief Financial Officer:*	N/A
18.	Other Officers:*	Karen Ann Whitesel - Vice President
19.		Daniel Joseph Wright - Treasurer / Assistant Treasurer
20.		
21.		
22.	Directors:*	Thomas Anthony Dzuryachko
23.		Walter Fredric Froh
24.		Nanette Paden De Turk
25.		Todd B. Vanerstrom
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Thomas A. Dzuryachko (please type for valid signature)
33. Secretary	Richard J. Enterline (please type for valid signature)
34. Chief Financial Officer	Daniel J. Wright (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing, and complete question 7 on page 2:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here:	<input type="checkbox"/>

Check My Work

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	Yes <input type="button" value="▼"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="▼"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="▼"/>
6.	If "yes", describe:	Parent Financial Statements included
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	4,058,163
2. Short-Term Investments	0
3. Premiums Receivable - Net	3,593,670
4. Interest Receivable	400
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	0
7. Prepaid Expenses	444,550
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	404,314
11. TOTAL CURRENT ASSETS (Items 1 to 10)	8,501,097
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	0
15. Secured Affiliate Receivables - Long-Term	0
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	0
18. TOTAL OTHER ASSETS (Items 12 to 17)	50,000
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	0
20. Furniture and Equipment - Net	156,399
21. Computer Equipment - Net	50,392
22. Leasehold Improvements -Net	53,887
23. Construction in Progress	0
24. Software Development Costs	0
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	260,678
27. TOTAL ASSETS	8,811,775
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. DEFERRED TAXES	404,314
1002.	0
1003.	0
1004.	0
1098. Summary of remaining write-ins for Item 10 from overflow page	0
1099. TOTALS (Items 1001 thru 1004 plus 1098)	404,314
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701.	0
1702.	0
1703.	0
1704.	0
1798. Summary of remaining write-ins for Item 17 from overflow page	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	0
2502.	0
2503.	0
2504.	0
2598. Summary of remaining write-ins for Item 25 from overflow page	0
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
	Current Period		
	Contracting	Non-Contracting	Total
CURRENT LIABILITIES:			
1. Trade Accounts Payable	0	XXX	0
2. Capitation Payable	0	XXX	0
3. Claims Payable (Reported)	878,164	29,968	908,132
4. Incurred But Not Reported Claims	1,394,077	56,576	1,450,653
5. POS Claims Payable (Reported)	0	0	0
6. POS Incurred But Not Reported Claims	0	0	0
7. Other Medical Liability	0	0	0
8. Unearned Premiums	2,634,410	XXX	2,634,410
9. Loans and Notes Payable	0	XXX	0
10. Amounts Due To Affiliates - Current	802,734	XXX	802,734
11. Aggregate Write-Ins for Current Liabilities	717,721	0	717,721
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	6,427,106	86,544	6,513,650
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	0	XXX	0
14. Loans and Notes Payable (Subordinated)	0	XXX	0
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	6,427,106	86,544	6,513,650
NET WORTH			
20. Common Stock	XXX	XXX	122,350
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	0
23. Contributed Capital	XXX	XXX	-33,775
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	2,209,550
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	2,298,125
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	8,811,775
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. ESTIMATED COST TO PROCESS O/S CLAIMS	176,909		176,909
1102. ACCURED EXPENSES	540,812		540,812
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	717,721	0	717,721
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	0
2502.	XXX	XXX	0
2503.	XXX	XXX	0
2504.	XXX	XXX	0
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	0
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	9,540,063	9,540,063
2. Capitation	0	0
3. Co-payments, COB, Subrogation	0	0
4. Title XVIII - Medicare	0	0
5. Title XIX - Medicaid	0	0
6. Fee-For-Service	0	0
7. Point-Of-Service (POS)	0	0
8. Interest	1,214	1,214
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	722,477	722,477
11. TOTAL REVENUE (Items 1 to 10)	10,263,754	10,263,754
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	0	0
13. Inpatient Services - Per Diem	0	0
14. Inpatient Services - Fee-For-Service/Case Rate	0	0
15. Primary Professional Services - Capitated	4,424,166	4,424,166
16. Primary Professional Services - Non-Capitated	2,132,646	2,132,646
17. Other Medical Professional Services - Capitated	0	0
18. Other Medical Professional Services - Non-Capitated	0	0
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	123,672	123,672
20. POS Out-Of-Network Expense	0	0
21. Pharmacy Expense - Capitated	0	0
22. Pharmacy Expense - Fee-for-Service	0	0
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	6,680,484	6,680,484
Administration		
25. Compensation	796,711	796,711
26. Interest Expense	0	0
27. Occupancy, Depreciation and Amortization	172,525	172,525
28. Management Fees	0	0
29. Marketing	1,103,917	1,103,917
30. Affiliate Administration Services	637,720	637,720
31. Aggregate Write-Ins for Other Administration	216,069	216,069
32. TOTAL ADMINISTRATION (Items 25 to 31)	2,926,942	2,926,942
33. TOTAL EXPENSES	9,607,426	9,607,426
34. INCOME (LOSS)	656,328	656,328
35. Extraordinary Item		
36. Provision for Taxes	276,938	276,938
37. NET INCOME (LOSS)	379,390	379,390
NET WORTH:		
38. Net Worth Beginning of Period	1,918,735	1,918,735
39. Audit Adjustments	0	0
40. Increase (Decrease) in Common Stock	0	0
41. Increase (Decrease) in Preferred Stock	0	0
42. Increase (Decrease) in Paid in Surplus	0	0
43. Increase (Decrease) in Contributed Capital	0	0
44. Increase (Decrease) in Retained Earnings:	0	0
45. Net Income (Loss)	379,390	379,390
46. Dividends to Stockholders	0	0
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	2,298,125	2,298,125

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001.		
1002. MANAGEMENT FEE INCOME	722,477	722,477
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	722,477	722,477
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. PRINTING	52,016	52,016
3102. REGULATORY FEES	25,405	25,405
3103. POSTAGE	26,368	26,368
3104. BUSINESS TRAVEL AND MEALS	13,928	13,928
3105.		
3106. OTHER ADMINISTRATIVE EXPENSES	98,352	98,352
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	216,069	216,069
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	9,270,979	9,270,979
2. Fee-For-Service		0
3. Title XVIII - Medicare Premiums	0	0
4. Title XIX - Medicaid Premiums	0	0
5. Investment and Other Revenues	723,670	723,670
6. Co-Payments, COB and Subrogation	0	0
7. Medical and Hospital Expenses	-6,548,484	-6,548,484
8. Administration Expenses	-3,013,309	-3,013,309
9. Federal Income Taxes Paid	0	0
10. Interest Paid	0	0
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	432,856	432,856
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets	0	0
13. Proceeds from Investments	0	0
14. Proceeds for Sales of Property, Plant and Equipment	0	0
15. Payments for Restricted Cash and Other Assets	0	0
16. Payments for Investments	0	0
17. Payments for Property, Plant and Equipment	-31,470	-31,470
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-31,470	-31,470
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock	0	0
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	0	0
23. Principal Payments on Loans from Affiliates	0	0
24. Dividends Paid	0	0
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	401,386	401,386
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	3,656,777	3,656,777
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	4,058,163	4,058,163
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	379,390	379,390
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	31,801	31,801
32. Decrease (Increase) in Receivables	-173,344	-173,344
33. Decrease (Increase) in Prepaid Expenses	42,340	42,340
34. Decrease (Increase) in Affiliate Receivables	0	0
35. Increase (Decrease) in Accounts Payable	0	0
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	132,000	132,000
37. Increase (Decrease) in Unearned Premium	-95,740	-95,740
38. Aggregate Write-Ins for Adjustments to Net Income	116,409	116,409
39. TOTAL ADJUSTMENTS (Items 31 through 38)	53,466	53,466
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	432,856	432,856
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Item 25 from overflow page	0	0
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. DECREASE (INCREASE) IN INTEREST RECEIVABLES	-21	-21
3802. DECREASE (INCREASE) IN DEFERRED TAXES	9,782	9,782
3803. INCREASE (DECREASE) IN AMOUNTS DUE TO AFFILIATES	-54,474	-54,474
3898. Summary of remaining write-ins for Item 38 from overflow page	161,122	161,122
3899. TOTALS (Items 3801 thru 3803 plus 3898)	116,409	116,409

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE**TOTAL ENROLLMENT**

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	279,080	28,020	23,962	283,138	856,174			0		0	
2. Medicare Risk				0				0			
3. Medi-Cal Risk				0				0			
4. Individual				0				0			
5. Point of Service				0				0			
6. Aggregate write-ins for Other	0	0	0	0	0	0	0	0	0		
7. Total Membership	279,080	28,020	23,962	283,138	856,174	0	0	0	0	0	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group				0				0			
602. Healthy Families				0				0			
603. AIM				0				0			
604. Medicare Cost				0				0			
605. ASO				0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO				0				0			
607.				0				0			
608.				0				0			
609.				0				0			
610.				0				0			
611.				0				0			
612.				0				0			
Summary of remaining write-ins for 698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus 699, 698) (Line 6 above)	0	0	0	0	0	0	0	0	0		

**

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1.
2.
3.
4. NOT REQUIRED TO FILE
5.
6.
7.
8.
9. Total Cash on Deposit		0
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		0

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12.
13.
14.
15. NOT REQUIRED TO FILE
16.
17.
18.
19. Total Restricted Assets		0

* Indicate the Balance Per the HMO's Records

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STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.	NOT REQUIRED TO FILE					0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

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STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.	NOT REQUIRED TO FILE					0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed					0
55.	Total	0	0	0	0	0

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STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9. NOT REQUIRED TO FILE						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due						0
24. Total	0	0	0	0	0	0

**

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	905,231	1,446,019	2,351,250
2. Physician Claims	2,901	4,634	7,535
3. Referral Claims			0
4. Other Medical			0
5. TOTAL	908,132	1,450,653	2,358,785

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

	1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.							
12.	March 31, 2004	4,179	21,184	19,110	4,215	-169	1,869
13.	February 29, 2004	1,316	20,302	14,098	3,153	-188	4,179
14.	January 31, 2004	5,047	18,006	17,418	4,151	-168	1,316
15.	December 31, 2003	4,101	21,143	16,276	3,706	-215	5,047
16.	November 30, 2003	2,561	19,204	13,966	3,041	-657	4,101
17.	October 30, 2003	1,345	22,165	16,995	3,835	-119	2,561
18.	September 30, 2003	2,179	20,022	16,318	4,339	-199	1,345
19.	August 31, 2003	2,680	20,008	16,115	4,140	-254	2,179
20.	July 31, 2003	1,642	23,374	17,663	4,467	-206	2,680
21.	June 30, 2003	2,349	21,281	16,985	4,927	-76	1,642
22.	May 31, 2003	3,169	24,044	18,712	5,314	-838	2,349
23.	April 30, 2003	4,033	22,923	18,726	4,864	-197	3,169

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

**

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

1.	1 Month Ending	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
2.	March 31, 2004	1,843	23	3	0	1,869
3.	February 29, 2004	4,157	17	5	0	4,179
4.	January 31, 2004	1,278	32	6	0	1,316
5.	December 31, 2003	5,017	30	0	0	5,047
6.	November 30, 2003	4,052	46	3	0	4,101
7.	October 31, 2003	2,550	11	0	0	2,561
8.	September 30, 2003	1,332	13	0	0	1,345
9.	August 31, 2003	2,161	16	1	1	2,179
10.	July 31, 2003	2,671	8	0	1	2,680
11.	June 30, 2003	1,631	8	2	1	1,642
12.	May 31, 2003	2,332	15	1	1	2,349
13.	April 30, 2003	3,115	53	1	0	3,169

**

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. March 31, 2004	2,358,785		2,358,785	2,358,785
2. December 31, 2003	2,226,785	1,383,365	843,420	236,250
3. September 30, 2003	2,191,035	2,000,529	190,506	93,200
4. June 30, 2003	2,268,035	1,979,024	289,011	40,400
5. March 31, 2003	2,279,065	2,278,146	919	50,250
6. December 31, 2002	2,651,385	2,031,727	619,658	0
7. September 30, 2002	2,401,410	2,235,736	165,674	0
8. June 30, 2002	2,524,610	2,139,992	384,618	0

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	PLEASE REFER TO ATTACHED FILE
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OVERFLOW PAGE FOR WRITE-INS		
1.		
2.	PAGE 7. LINE 3998, SUMMARY OF REMAINING WRITE-INS, ITEM # 38 FROM OVERFLOW PG.	
3.		
4.	INCREASE (DECREASE) IN OTHER PAYABLES	
5.		
6.	CURRENT PERIOD	YEAR TO DATE
7.	Cost to process O/S Claims 9,901	9,901
8.	Accrued Expenses 151,028	151,028
9.	(Gain) Loss from disposal of fixed assets 193	193
10.	TOTAL 161,122	161,122
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STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.					
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.					
13.	United Concordia Companies Inc.	Parent Company	For the quarter ended		
14.			3/31/2004	343,223	
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	2,298,125
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	2,298,125
21.	Required Tangible Net Equity (See Page 22)			\$	661,011
22.	TNE Excess (Deficiency)			\$	1,637,114
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	9,540,064
24.	Administrative Costs			\$	2,926,942
25.	Percentage				31
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	225,797
27.	Total costs for health care services for the immediately preceding six months:			\$	13,927,141
28.	Percentage				2

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		0
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		
51. Average Length of Stay for Point of Service enrollees		
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans		Specialized Plans	
		1		2	
A.	Minimum TNE Requirement	\$ 1,000,000		\$ 50,000	
B.	REVENUES:				
1.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$ 150,000
	Plus			Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$ 306,603
3.	Total	\$ 0		Total	\$ 456,603
C.	HEALTHCARE EXPENDITURES:				
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 600,000
	Plus			Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$ 61,011
	Plus			Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7.	Total	\$ 0		Total	\$ 661,011
8.	Required "TNE" - Greater of "A" "B" or "C"	\$		Required "TNE" - Greater of "A" "B" or "C"	\$ 661,011

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	2,298,125
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	2,298,125
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	2,298,125
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	2,298,125
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	2,298,125
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

Manual claim check vs claim payments

<u>Account number</u>		<u>Jan-04</u>		<u>Feb-04</u>		<u>Mar-04</u>
		-		-		
Manual Claims	\$	7,342	\$	5,035	\$	5,825
		-		-		-
		-		-		-
		-		-		-
		-		-		-
Total	\$	<u>7,342</u>	\$	<u>5,035</u>	\$	<u>5,825</u>
Total claims paid for the month	\$	<u>1,436,212</u>	\$	<u>1,257,402</u>	\$	<u>1,351,760</u>
% of manual claim checks to be paid		0.51%		0.40%		0.43%

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.**Results of Post-pay EOB audit
For the Quarter Ended March 31, 2004**

<u>Month</u>	<u>Number of EOBs reviewed</u>	<u>Number of Errors</u>	<u>Error rate</u>
Jan-04	15	0	0%
Feb-04	15	0	0%
Mar-04	15	0	0%

STATEMENT AS OF 3-31-2004 OF 933-0046 United Concordia Dental Plans of California, Inc.

United Concordia Dental Plans of California, Inc.
Results of Check Register Review
For the Quarter Ended March 31, 2004

Report Name	Date of Check Run	Check Amount	Result of Review
Accounts Payable			
	1-Oct-03		No Exceptions Noted
	2-Oct-03		No Exceptions Noted
	3-Oct-03		No Exceptions Noted
	6-Oct-03		No Exceptions Noted
	7-Oct-03		No Exceptions Noted
	8-Oct-03		No Exceptions Noted
	9-Oct-03		No Exceptions Noted
	10-Oct-03		No Exceptions Noted
	13-Oct-03		No Exceptions Noted
	14-Oct-03		No Exceptions Noted
	15-Oct-03		No Exceptions Noted
	16-Oct-03		No Exceptions Noted
	17-Oct-03		No Exceptions Noted
	20-Oct-03		No Exceptions Noted
	21-Oct-03		No Exceptions Noted
	22-Oct-03		No Exceptions Noted
	23-Oct-03		No Exceptions Noted
	24-Oct-03		No Exceptions Noted
	27-Oct-03		No Exceptions Noted
	28-Oct-03		No Exceptions Noted
	29-Oct-03		No Exceptions Noted
	30-Oct-03		No Exceptions Noted
	31-Oct-03		No Exceptions Noted
	3-Nov-03		No Exceptions Noted
	4-Nov-03		No Exceptions Noted
	5-Nov-03		No Exceptions Noted
	6-Nov-03		No Exceptions Noted
	7-Nov-03		No Exceptions Noted
	10-Nov-03		No Exceptions Noted
	11-Nov-03		No Exceptions Noted
	12-Nov-03		No Exceptions Noted
	13-Nov-03		No Exceptions Noted
	14-Nov-03		No Exceptions Noted
	17-Nov-03		No Exceptions Noted
	18-Nov-03		No Exceptions Noted
	19-Nov-03		No Exceptions Noted
	20-Nov-03		No Exceptions Noted
	21-Nov-03		No Exceptions Noted
	24-Nov-03		No Exceptions Noted
	25-Nov-03		No Exceptions Noted
	26-Nov-03		No Exceptions Noted
	27-Nov-03		No Exceptions Noted
	28-Nov-03		No Exceptions Noted
	1-Dec-03		No Exceptions Noted
	2-Dec-03		No Exceptions Noted
	3-Dec-03		No Exceptions Noted
	4-Dec-03		No Exceptions Noted
	5-Dec-03		No Exceptions Noted
	8-Dec-03		No Exceptions Noted
	9-Dec-03		No Exceptions Noted
	10-Dec-03		No Exceptions Noted
	11-Dec-03		No Exceptions Noted
	12-Dec-03		No Exceptions Noted
	15-Dec-03		No Exceptions Noted
	16-Dec-03		No Exceptions Noted
	17-Dec-03		No Exceptions Noted
	18-Dec-03		No Exceptions Noted
	19-Dec-03		No Exceptions Noted
	22-Dec-03		No Exceptions Noted
	23-Dec-03		No Exceptions Noted
	24-Dec-03		No Exceptions Noted
	29-Dec-03		No Exceptions Noted
	30-Dec-03		No Exceptions Noted
	31-Dec-03		No Exceptions Noted
Broker	17-Oct-03		No Exceptions Noted
	17-Nov-03		No Exceptions Noted
	17-Dec-03		No Exceptions Noted
Capitation	2-Oct-03		No Exceptions Noted
	2-Nov-03		No Exceptions Noted
	2-Dec-03		No Exceptions Noted
Claims	3-Oct-03		No Exceptions Noted
	10-Oct-03		No Exceptions Noted
	17-Oct-03		No Exceptions Noted
	24-Oct-03		No Exceptions Noted
	31-Oct-03		No Exceptions Noted
	7-Nov-03		No Exceptions Noted
	14-Nov-03		No Exceptions Noted
	21-Nov-03		No Exceptions Noted
	28-Nov-03		No Exceptions Noted
	5-Dec-03		No Exceptions Noted
	12-Dec-03		No Exceptions Noted
	19-Dec-03		No Exceptions Noted
	26-Dec-03		No Exceptions Noted

UNITED CONCORDIA COMPANIES, INC.
CONSOLIDATED BALANCE SHEET

AS OF MARCH 31, 2004

ASSETS

CASH & CASH EQUIVALENTS:	
CASH AVAILABLE FOR OPERATIONS	\$ (4,201,446)
RESERVED CASH (RESTRICTED \$300,000 AND \$310,000, RESPECTIVELY)	<u>64,132,802</u>
TOTAL CASH & CASH EQUIVALENTS	59,931,356
FUNDS IN ESCROW ACCOUNTS	-
INVESTMENTS (RESTRICTED \$7,655,000 AND \$7,105,000, RESPECTIVELY)	129,807,690
RECEIVABLES:	
TDP SUBSCRIPTION REVENUE	20,651,390
SUBSCRIPTION REVENUE	38,966,493
THIRD PARTY ADMINISTRATION	10,969,373
DUE FROM HIGHMARK	283,089
OTHER	<u>667,085</u>
TOTAL RECEIVABLES	71,537,430
ACCRUED INTEREST	1,209,446
LEASEHOLD IMPROVEMENTS	1,599,452
EDP EQUIPMENT	6,841,821
OFFICE FURNITURE & EQUIPMENT	<u>6,214,716</u>
SUBTOTAL	14,655,989
LESS: ACCUMULATED DEPRECIATION	<u>(11,693,965)</u>
NET PROPERTY & EQUIPMENT	2,962,024
DEFERRED TAX ASSET-NET	9,135,790
GOODWILL, NET OF ACCUMULATED AMORTIZATION	36,401,119
OTHER ASSETS	<u>1,199,129</u>
TOTAL ASSETS	<u>\$ 312,183,984</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

CLAIMS OUTSTANDING	\$ 70,007,838
PREMIUM DEFICIENCY RESERVE	-
PAYABLE TO PROVIDERS	-
UNEARNED REVENUE	47,923,849
AMOUNTS HELD FOR OTHERS	15,492,274
OTHER PAYABLES AND ACCRUED EXPENSES	28,566,553
LINE OF CREDIT	-
DUE TO HIGHMARK	<u>7,247,037</u>
NOTE PAYABLE-HIGHMARK	-
DEFERRED TAX LIABILITY	<u>0</u>
TOTAL LIABILITIES	169,237,551
COMMON STOCK	1,100,000
ADDITIONAL PAID IN CAPITAL	72,650,000
SURPLUS NOTE PAYABLE	0
ACCUMULATED OTHER COMPREHENSIVE GAIN, NET OF DEFERRED TAXES	808,938
RETAINED EARNINGS	<u>68,387,495</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 312,183,984</u>

UNITED CONCORDIA COMPANIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN RETAINED EARNINGS
FOR THE THREE MONTHS ENDED MARCH 31, 2004

	<u>AMOUNT</u>	<u>PERCENT</u>
SUBSCRIPTION REVENUE	\$ 235,823,410	94.87 %
SUBSCRIPTION REVENUE - REINSURANCE	6,102,387	2.46
ASO ADMINISTRATIVE REVENUE	6,024,864	2.42
THIRD PARTY ADMIN / OTHER REVENUE	610,773	0.25
	<hr/>	<hr/>
TOTAL DENTAL CARE REVENUE	248,561,434	100.00
	<hr/>	<hr/>
CLAIMS EXPENSE	184,891,852	74.39
CLAIMS EXPENSE - REINSURANCE	4,708,225	1.89
CAPITATION EXPENSE	14,298,799	5.75
	<hr/>	<hr/>
TOTAL DENTAL CARE COSTS	203,898,876	82.03
	<hr/>	<hr/>
GROSS MARGIN	44,662,558	17.97
	<hr/>	<hr/>
COMMISSIONS	4,394,772	1.77
PREMIUM TAX	2,498,703	1.01
ADMINISTRATIVE EXPENSE - REINSURANCE	495,822	0.20
	<hr/>	<hr/>
ADMINISTRATIVE EXPENSES	32,096,404	12.91
	<hr/>	<hr/>
(LOSS) INCOME BEFORE INVESTMENT REVENUE, PREMIUM DEFICIENCY, INTEREST EXPENSE, AND TAXES	5,176,857	2.08
	<hr/>	<hr/>
INVESTMENT AND OTHER REVENUE	1,064,383	0.43
PREMIUM DEFICIENCY	-	-
PREMIUM DEFICIENCY AMORTIZATION	-	-
INTEREST EXPENSE	135	-
	<hr/>	<hr/>
(LOSS) INCOME BEFORE INCOME TAXES	6,241,105	2.51
	<hr/>	<hr/>
(BENEFIT) PROVISION FOR INCOME TAXES	2,251,752	0.91
	<hr/>	<hr/>
NET (LOSS) INCOME	3,989,353	1.60 %
	<hr/>	<hr/>
RETAINED EARNINGS BEGINNING	64,398,142	
	<hr/>	
RETAINED EARNINGS ENDING	\$ 68,387,495	
	<hr/>	

UNITED CONCORDIA COMPANIES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

AS OF MARCH 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME	\$ 3,989,353
ADJUSTMENTS TO RECONCILE NET INCOME TO CASH	
FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
PREMIUM DEFICIENCY (AMORTIZATION) RESERVE	-
DEPRECIATION AND AMORTIZATION	638,663
(GAIN) LOSS ON DISPOSAL OF EQUIPMENT	(1,992)
REALIZED LOSS ON SALE OF INVESTMENTS	-
DEFERRED INCOME TAX	143,831
INCREASE (DECREASE) DUE TO CHANGES IN:	
ACCOUNTS RECEIVABLE	1,499,227
OTHER ASSETS	296,342
CLAIMS OUTSTANDING	13,660,990
DUE FROM HIGHMARK, NET	(8,074,861)
UNEARNED REVENUE	(5,081,689)
AMOUNTS HELD FOR OTHERS	(163,439)
OTHER LIABILITIES	(6,376,835)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>529,590</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASE OF INVESTMENTS, AVAILABLE FOR SALE	(23,154,179)
MATURITY OF INVESTMENTS, AVAILABLE FOR SALE	19,690,000
PURCHASE OF FURNITURE AND EQUIPMENT	(184,611)
PROCEEDS FROM SALE OF INVESTMENTS	<u>-</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(3,648,790)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

PAYMENTS ON LINE OF CREDIT	<u>(5,000,000)</u>
ISSUANCE OF LINE OF CREDIT	-
PAYMENT ON NOTE PAYABLE-HIGHMARK INC	-
ADDITIONAL PAID IN CAPITAL FROM HIGHMARK	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(5,000,000)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,119,200)
BEGINNING CASH AND CASH EQUIVALENTS	<u>68,050,556</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 59,931,356</u>

